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SENATE BILL 361

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Leonard Lee Rawson

AN ACT

RELATING TO TAXATION; EXEMPTING CERTAIN RETIREMENT INCOME FROM
TAXATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Income Tax Act is enacted
to read:

"[NEW MATERIAL] EXEMPTION--RETIREMENT INCOME.--

A. An individual may claim an exemption from income
taxation for retirement income included in net income in an
amount not to exceed three thousand dollars (\$3,000).

B. As used in this section, "retirement income"
means:

(1) annuity or pension income required by
federal law or regulation to be reported on information return

underscored material = new
[bracketed material] = delete

1 federal form 1099-R or a successor form used to report
2 distributions from pensions, annuities, retirement or profit-
3 sharing plans, individual retirement accounts, insurance
4 contracts and similar income that is attributable to a benefit
5 taxable for federal income tax purposes paid to an individual
6 under a qualified plan, annuity or simplified employee pension
7 plan pursuant to Sections 401 through 404, Section 408 or 457
8 of the Internal Revenue Code of 1986 and including any inside
9 buildup of interest distributed in conjunction with any of the
10 listed distributions; and

11 (2) social security or equivalent tier 1
12 railroad retirement benefit income required by federal law or
13 regulation to be reported on information return federal forms
14 SSA-1099, SSA-1042S, RRB-1099 or RRB-1042S or their respective
15 successor forms used to report distributions of social security
16 or equivalent tier 1 railroad retirement benefits that are
17 attributable to a benefit taxable for federal income tax
18 purposes and paid to an individual pursuant to Section 86 of
19 the Internal Revenue Code of 1986."

20 Section 2. APPLICABILITY.--The provisions of this act
21 apply to taxable years beginning on or after January 1, 2005.

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